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NSC BRIEFING

15 March 1960

## MAINLAND SOUTHEAST ASIA

- I. Situation in mainland Southeast Asia continues to contain many subsurface dangers and vulnerabilities from our viewpoint.
- II. Laos remains major area of concern despite the drop-off since last summer in attacks by Communist insurgents which led to UN investigation.
  - A. The Communist Pathet Lao insurgents, almost certainly aided and abetted by North Vietnam, are continuing to consolidate their forces and expand their influence.
    1. Numerous reports received of recruiting, training, supply buildup, propaganda and intimidation throughout country.
    2. Communists also effectively exploiting grievances against the government among the tribesmen who make up 50 percent of Laos' two million population.
    3. Despite government security sweeps, the Pathets have gained de facto control over extensive areas of the countryside. Pathets do not control all of the two northern provinces of Sam Neua and Phong Saly, as they did before the 1957 settlement with the government, but they now have pockets in all twelve provinces.
    4. Real security exists only in towns, is considerably less in adjacent villages, and is virtually nonexistent in most of the rest of the country.

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5. Moreover, strong Pathet pockets in southernmost Laotian provinces could foreshadow greater Communist subversive action against neighboring South Vietnam, Cambodia and Thailand.
  6. A good example of the pervasiveness of Pathet activity in Laos was recently provided by the experiences of a USIS team which tried to tour the mountain villages in Xieng Khouang Province. Team was forced to turn back after finding out that the planned route was heavily infested with Pathets, who seemed to have considerable influence over the villagers. The Lao government had assured the team that the area was fully secure.
- B. Commies probably prefer to gain their ends in Laos through subversion, guerrilla warfare and legal means rather than by open aggression.
1. In the supplemental elections of 1958, the Commies and their leftist allies were able to profit from vote-splitting among the non-Communist candidates to win 13 of the 21 seats at stake. (There were 87 non-Communist candidates.)
  2. New elections for the entire membership of the National Assembly are to be held on 24 April, but this time non-Communist groups--mainly former Premier Phoui's Rally of the Lao People and the young reformist Committee for Defense of National Interests (CDNI)--have markedly reduced the number of candidates contesting the elections.

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3. Thanks in part to our strong prodding the two rival groups have agreed, at least for moment, on a list of some 60 odd candidates for the 59 assembly seats at stake.
4. Commies have not yet clearly tipped their hand regarding coming elections, but should they become convinced cards are stacked against them, they will probably boycott them and may attempt to disrupt them through resurgence guerrilla war.
  - a. Whatever course Commies take, prospect is for long and difficult struggle between Commies and non-Commies for country and result highly uncertain.

III. In South Vietnam there has been sharp upswing in Vietnamese Communist terrorism and subversion since last fall in what appears to be a stepped-up effort to undermine Saigon's control over rural areas.

- A. The number of Communist guerrillas in South Vietnam--stabilized at about 1500 for the past several years--reportedly been doubled in recent months by fresh cadres infiltrated from North Vietnam via Laos and Cambodia.
- B. At the same time, Communist tactics switched from scattered acts of banditry and village terrorism to bold attacks on government army patrols and isolated security posts by bands few hundred strong.
  1. Intimidation and subversion of villagers also been intensified--assassinations of local officials, which had been averaging 15 per month, have recently increased to over 30 per month. New terrorist acts against American personnel a possibility.

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2. Most troubled area is in southwestern delta provinces where Communist guerrillas flee across the virtually unguarded Cambodian frontier when too hard pressed by South Vietnamese security forces.
3. Evolving pattern is disturbingly reminiscent of Vietnamese Communist tactics against the French in Indochina during period 1946-1954.

C. Probable reasons behind upsurge Communist terrorism:

1. Commie desire to increase tensions between Diem government and people; discredit the government and security forces; and establish control over broader rural areas.
2. Successful hiding of Hanoi's hand in recent "civil war" in Laos may have emboldened Commies to attempt a similar "popular resistance movement" in South Vietnam.

D. Growing disaffection with Saigon regime of rural population in southern delta provinces provides basis for extended Communist guerrilla operations.

IV. Cambodia, although free of Commie terrorism plaguing South Vietnam and Laos is also target of subversion.

A. Premier Sihanouk, feverishly pursuing a neutralist policy, opened "Pandora's Box" in 1956 when he began economic and political relations with Peiping and the Soviet Bloc.

1. Chinese Communists especially have made serious inroads in the cultural and propaganda fields in Cambodia.
2. Peiping's subversive activities are facilitated by presence of nearly 200 Chinese Communist representatives associated with a broad economic aid program and a large Chicom embassy.

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3. Cambodia's 300,000 Overseas Chinese population, largely pro-KMT a few years ago, today is dominated by the Communists.
- B. Commies seem to have long range hope that they can take over by riding on Sihanouk's coattails. Meanwhile, they are believed attempting to use Cambodia as a base for operation against South Vietnam, Laos and Thailand.
1. Vietnamese Communist guerrillas see Cambodia as a transit area and staging ground for anti-government operations in South Vietnam, and more recently in southern Laos.
- C. Sihanouk's flirtations with the Sino-Soviet Bloc have resulted in domestic dissension and hostility by South Vietnam and Thailand which continues to harm the West's position in Cambodia and benefits the Commies.
1. Sihanouk for the moment is more critical of Commie subversion, but his hand stayed from taking effective remedial actions by fear of Peiping and belief that the only safe policy to follow is neutrality; he cites the fighting in Laos as an example of problems that come from adopting too strong an anti-Communist stand.
  2. Sihanouk has expressed belief in inevitable Communist victory in the East-West struggle.
  3. Outlook is for continuing dominance of country by Sihanouk, continuing efforts by him to walk neutrality tightrope, and continuing weak and potentially dangerous situation.

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- V. In Thailand, some sources of potential trouble exist despite Marshal Sarit's autocratic regime.
- A. Continuing, and perhaps increasing dissatisfaction with American aid levels to Thailand, and with competing PL 480 rice sales to Asian countries might incline Thai leaders toward making some kind of gesture to Sino-Soviet Bloc out of belief it might jolt us into being more generous and flexible.
- VI. In Burma, the sweeping election victory of U Nu and the voluntary stepping down next month of the interim military regime under General Ne Win create a number of new problems.
- A. Both leaders are anti-Communist but U Nu not as inflexible in this respect as Ne Win.
1. Nu's concept of neutrality may lead him to balance off improvement in US-Burma relations, achieved during Ne Win's tenure, by efforts improve relations with Communist Bloc.
  2. Absence of a serious parliamentary opposition may make the government cocky with a possible relapse to inept and corrupt administration, susceptible to domestic Communist exploitation.
- B. Nu's belief in allegations of US aid to the opposition party in recent elections may complicate future American dealings with him.
- C. Finally, Nu's landslide victory will make it more difficult for Ne Win to exercise his intended restraining influence on the new government.

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